## Message Text

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**ACTION ARA-10** 

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-03 H-01 INR-05 L-01

NSAE-00 NSC-05 PA-01 RSC-01 PRS-01 SP-02 SS-15

USIA-06 AID-05 COME-00 EB-04 SIL-01 LAB-01 OMB-01

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R 021450Z NOV 74 FM AMEMBASSY QUITO TO SECSTATE WASHDC 3115 INFO AMEMBASSY BOGOTA

CONFIDENTIAL QUITO 7345

E.O. 11652: N/A

TAGS: PINR, PINS, EC, ELAB

SUBJ: BORDER PROVINCE CITIZENS STRIKE RESOLVED

- 1. SUMMARY: CENTRAL GOVERNMENT EFFORTS TO RESTRICT CONTRABAND AND COLLECT TAXES IN BORDER (WITH COLOMBIA) PROVINCE OF CARCHI LED TO STRIKE BY CITIZENS THERE WHICH TIED UP COMMERCE AND CLOSED BORDER FROM OCTOBER 25 TO 28. PROBLEM WAS RESOLVED WHEN PRESIDENT, WITH VARIOUS CABINET MEMBERS, RECEIVED LARGE GROUP OF REPRESENTATIVES FROM CARCHI IN SIX HOUR MEETING OCTOBER 28. END SUMMARY.
- 2. GOE EFFORTS IMPOSE TIGHTER CONTROLS ON SMUGGLING AT COLOMBIAN BORDER CROSSINGS AND TIGHTER REVIEW OF BUSINESS RECORDS OF COMMERCIAL ENTERPRISES IN CARCHI LED TO GENERAL PROTEST BY CITIZENS OF THIS REMOTE AND INHOSPITABLE PROVINCE AGAINST CENTRAL GOVERNMENT. PROTEST STARTED WITH STRIKE BY CHAUFFEURS WHOSE NORMAL INVOLVEMENT IN SMUGGLING HAD BEEN RESTRICTED AND SPREAD TO INCLUDE CHAMBERS OF COMMERCE, EDUCATIONALISTS, AND FARMERS. APPARENTLY AWARE OF THEIR LUDICROUS POSITION, SMUGGLERS ENGAGED OTHER SECTORS OF POPULATION CAPITALIZING ON LONG EXISTENT FEELING OF CARCHI CITIZENS THAT CENTRAL GOVERNMENT CONFIDENTIAL

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NEGLECTED THEIR NEEDS.

- 3. MEETING WITH PRESIDENT AND SOME CABINET MINISTERS WAS HELD TO REVIEW CARCHI DEMANDS WHICH HAD GROWN FROM 5 AT BEGINNING TO 30 OR MORE BY TIME OF PRESIDENTIAL MEETING, INCLUDING REQUEST FOR REMOVAL OF GOVERNOR AND LOCAL MAYOR. PRESIDENT AND MINISTERS REJECTED THESE AND RECITED GOE PROJECTS PLANNED AND IN TRAIN IN CARCHI AND POINTED OUT THAT WHILE SUCRE 1,266,219,000 (APPROXIMATELY 50 MILLION DOLLARS) HAD BEEN SPENT IN PROVINCE DURING PRESENT GOVERNMENT'S TENURE (32 MONTHS), ONLY 3 MILLION DOLLARS HAD BEEN COLLECTED IN TAXES, DUTIES, ETC. CARCHI PROTESTS ABOUT CUSTOMS CONTROLS AND RESTRICTIONS ON SMUGGLING THERE MET AT ONE POINT, ACCORDING TO REPORTS, WITH LAUGHTER.
- 4. MEETING CONCLUDED WITH AGREEMENT OF CARCHI REPRESENTATIVES TO RETURN TO TULCAN (PROVINCIAL CAPITAL) TO EXPLAIN GOVERNMENT POINT OF VIEW AND SEEK APPROVAL OF "COMMITTEE OF PEOPLE" TO END PROTEST. ALTHOUGH THERE WAS SOME DISSENT. COMMITTEE DECIDED TO END STRIKE.
- 5. COMMENT: MANY OBSERVERS WERE SURPRISED AT GENTLENESS WITH WHICH PRESIDENT HANDLED THE CARCHI PROTEST.
  UNDOUBTEDLY RECOGNITION OF INFERIORITY FEELINGS OF
  CARCHI RESIDENTS AND THEIR SENSE THAT CENTRAL GOVERNMENT NEGLECTED PROVINCES NEEDS COMBINED WITH CARCHI
  REPUTATION FOR REBELLIOUSNESS LED TO PRESIDENT'S
  PATIENCE. MOREOVER, GENERAL KNOWLEDGE THAT HEALTHY
  NUMBER OF CARCHI RESIDENTS ARE ENGAGED IN CONTRABAND AND
  RECOGNITION THAT TOUGHER CUSTOMS AND TAX CONTROLS MEAN LOSS OF
  INCOME AND INSECURITY FOR MANY WITHOUT OTHER
  OCCUPATIONAL ALTERNATIVES, WERE UNDOUBTEDLY FACTORS
  INFLUENCING PRESIDENT AND HIS ADVISORS. ACCORDING TO
  AVAILABLE INFORMATION, GOE DID NOT RELENT ON DETERMINATION IMPROVE CONTROLS IN TULCAN AREA.
- 6. ALTHOUGH STRIKE DID NOT CAUSE ANY SIGNIFICANT LONG-TERM DISRUPTION, IT WAS NONETHELESS A REMINDER THAT ECUADOR'S POWERFUL CHAUFFEURS HAVE THE MUSCLE TO ATTRACT HIGH LEVEL NATIONAL ATTENTION PARTICULARLY CONFIDENTIAL

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WHEN THEY CAN CAPITALIZE ON LOCAL GRIEVANCES. BREWSTER

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## Message Attributes

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Subject: BORDER PROVINCE CITIZENS STRIKE RESOLVED

TAGS: PINR, PINS, ELAB, EC

To: STATE

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